

**PROJECT ABSTRACT SUMMARY**  
**WASHINGTON STATE PLANNING GRANT ON ACCESS TO HEALTH INSURANCE**  
**Supplemental Proposal – June 2004**

**Lead Agency:** Governor's Executive Policy Office  
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**Request:** \$185,000 Continuation Limited Competition funds, under the State Planning Grant (SPG) program, Health Resources & Services Administration (HRSA), for 1.65 FTEs whose primary purpose is to provide continuing data, policy, and liaison support in the Governor's Office on issues related to covering Washington's uninsured.

**Current Status<sup>1</sup>:** Washington is losing ground. The state's overall uninsured rate rose from 7.7% in 2000 to 8.4% in 2002. Coverage via an employer has steadily eroded for the under-65 population, dropping from 70.9% in 1993 to 66.5% in 2002. Coverage for children has taken a turn for the worse. Although 2002 data show an impressively low uninsured rate for children (0-18) of 4.5%, public program changes since 2002 have altered the picture. Estimates of the number of children who have lost coverage vary but are in the thousands and we presume (although don't know for sure) that many of these children are now uninsured. The 2004 state population survey is currently in the field; data will be available in late fall to better assess the current status of coverage.

**Earlier Efforts:** In the 1980's and 1990's Washington was a leader on many coverage fronts – expansion of coverage for low-income working (Basic Health) and for children & their families (Medicaid coverage for children up to 200% federal poverty before SCHIP); pre HIPAA market reforms; early adoption of a high risk pool; sweeping health care reform to achieve universal coverage (subsequently repealed); dedication of tobacco litigation dollars to health care (with an emphasis on prevention). However, the nexus of Washington's progressive social policy and its conservative fiscal policy (e.g., 1993 passage of spending cap) have produced a "health system for low-income individuals [that] seems to be in a fairly fragile state".<sup>2</sup>

**More Recently:** Given the state's recession and budget deficits (2001-03 state budget), public policy focus vis-à-vis coverage has been to maintain existing public programs, provide a supportive environment for employers to offer coverage, and assist the clinic-based safety net system with funds and regulatory support. Unfortunately, people have still lost coverage – immigrant children moved from Medicaid to Basic Health did not re-enroll as hoped, Basic Health coverage slots were decreased (and funded by dollars intended for expansion), Medicaid administrative changes resulted in much larger than anticipated exits of children, radical changes to Basic Health cost-sharing (including deductibles and co-insurance) were implemented (direct impacts are unknown but enrollment is currently below target). There are a few "incremental" bright spots including coverage for the working disabled, opening Basic Health to people eligible for Trade Act coverage, resolving an individual market collapse, forestalling a small group market "affordability" crisis, and Governor Locke's recent decision to delay until July 2005 premiums for some Medicaid children (below 200% federal poverty); although children in SCHIP (201% - 250%) will see an increase in premium sharing.

**Washington's State Planning Grant (SPG) Program:** Washington received its first grant in March 2001. Two continuation grants (in 2002 and 2003) have created an enduring spotlight in the

Governor's Office on the uninsured. Focus-of-effort and accomplishments fall into four categories: (1) *"launching pad" research* (e.g., gaps, overlaps and barriers to coverage based on detailed profiles and affordability analyses); (2) *technical data improvements* (e.g., "Medicaid undercount" issues, integrated coverage and access data, minimize incorrect use of survey data); (3) neutral, *expert resource and "voice"* on Washington's uninsured (e.g., clearinghouse to answer questions on the uninsured and who's doing what to address various issues; raise level of understanding and influence thinking in Governor's policy and budget offices); and, (4) *policy and evaluation assistance* on coverage and access options (e.g., assessment of public program cost-sharing changes; Governor's rural access package; community development of low-income coverage strategies; safety net and public program dependencies; impacts of proposed policy changes on employer coverage offerings).

**Proposed Project and Results:** This grant request is for 1.65 FTEs to build-on the successes noted above, that is, to continue a supportive and active work environment in the Governor's Office for addressing issues specific to the uninsured. *Quite simply, this is a request for support of sorely needed infrastructure that will not exist in the absence of SPG funding.* Renewed funding will support the following:

1. *Understand the Uninsured:* Maintain expert voice and clearinghouse role for questions and data on Washington's uninsured (e.g., analysis of 2004 household survey; feasibility of "real-time" imputation of employer coverage; ad-hoc analyses to stimulate discussion of coverage issues; update WA 2004 integrated database);
2. *Research and Policy Support for Coverage Options:* (a) Maintain expertise & clearinghouse for questions on coverage strategies & lessons from others' initiatives; analytic support re coverage options of growing interest, e.g., covering all children, pay-or-play for larger employers, affordable coverage for small employers; (b) Assist in public program redesign and evaluation of impacts (e.g., impacts of cost-sharing and administrative changes, health savings account-wellness model in public programs, dental coverage in Basic Health, discussions on role of government vs. employers in providing coverage and on state funding of insurance coverage vs. safety net access); (c) Continue assistance to community effort to develop universal (for low-income) coverage strategy; maintain partnerships with groups concerned about coverage and access.
3. *Fulfill Grantor Expectations:* Meet all meeting, reporting, resource, stakeholder communication, and internal management expectations of HRSA.

This request reflects a pragmatic and flexible approach that represents our greatest need. It will ensure continued focus on the uninsured as Washington transitions in January 2005 to a new Governor and potentially new faces and philosophies in the legislature (all of the House and one-half the Senate are up for election), deals with on-going budget deficits, and debates alternatives for covering its growing number of uninsured. It recognizes that consensus building on coverage strategies occurs over the long run through political processes *fed by* the grant but not *pushed by* the grant. Partners under this renewed funding continue to be those we have worked with since the beginning – public programs, community leaders, policy makers, and advocates.

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<sup>1</sup> Figures from 2002 Washington State Population Survey.

<sup>2</sup> Holahan, John and Mary Beth Pohl. 2002. "Recent Changes in Health Policy for Low-Income People in Washington." Washington, D.C.: The Urban Institute.

#### **MAKING HEALTHCARE WORK FOR EVERYONE**

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